

## Message Text

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64

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 FEA-02 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 FRB-03 H-03 INR-11 INT-08 L-03 LAB-06

NSAE-00 NSC-07 PA-04 RSC-01 AID-20 CIEP-03 SS-20

STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SP-03 OMB-01

SWF-02 DRC-01 ( ISO ) W

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R 311955Z JUL 74

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 1214

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E.O. 11652: N/A

TAGS: ETRD, PE

SUBJECT: PERUVIAN IMPORT RESTRICTIONS MODIFIED

REF: LIMA 6019, STATE 146514

BEGIN UNCLASSIFIED

1. IN ANNOUNCEMENT DATED JULY 26 BUT PUBLISHED JULY 30, THE BOARD OF EXTERNAL TRANSACTIONS FOR THE PRIVATE SECTOR (BETPS) ISSUED NEW REGULATIONS MODIFYING PERUVIAN IMPORT RESTRICTIONS AND RESCINDING CERTAIN FEATURES OF THE MAY 11 SYSTEM. THE ANNOUNCEMENT MAKES THREE POINTS:

A) AUTHORIZATIONS OF IMPORTS BY SPECIFIC IMPORT (TARIFF) CATEGORY ARE ELIMINATED. HOWEVER, THE ANNOUNCEMENT ALSO NOTES THAT FOREIGN EXCHANGE WILL BE MADE AVAILABLE ONLY FOR ITEMS ALREADY CONTAINED IN A FIRM'S FOREIGN EXCHANGE BUDGET SUBMITTED MAY 31 AND THAT NO GOODS MAY BE IMPORTED WHICH DO NOT APPEAR IN THE FIRM'S IMPORT REGISTER, APPROVED BY THE OFFICE OF FOREIGN COMMERCE;

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B) REQUEST FOR FOREIGN EXCHANGE AUTHORIZATIONS FOR CY-1975  
ARE SOLICITED, PROVIDED THAT THE ITEM REQUIRES A LONG LEAD  
TIME IN ORDERING, AND THAT IT WILL ARRIVE IN 1975;

C) INDIVIDUAL IMPORTED ITEMS VALUED AT LESS THAN \$200 CIF  
NO LONGER REQUIRE BETPS APPROVAL, UP TO \$2000 TOTAL FOR YEAR.

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2. COMMENT: THE APPEARANCE OF THESE LIBERALIZED REGULATIONS  
SO SOON AFTER THE RESIGNATION OF FINANCE MINISTER MARCO DEL  
PONT (MAY 17) PROVIDES A CLEAR INDICATION OF GOP CONCERN  
OVER THE APPLICATION OF THE MAY IMPORT MEASURES AND THAT NEW  
MINISTER AMILCAR VARGAS VAVILANO HAS DECIDED TO ELIMINATE  
MORE ONEROUS FEATURES OF THE PREVIOUS SYSTEM, ALTHOUGH THE  
STATUS QUO ANTE HAS CERTAINLY NOT BEEN RESTORED. IT APPEARS,  
AS MENTIONED IN LIMA 6019, THAT BASIC STRUCTURE OF NEW SYSTEM  
HAS BEEN RETAINED IN PART, SINCE, FOR ONE THING, MAY BUDGET  
FIGURES ARE BEING USED AS BASIS OF ALLOCATIONS. HOWEVER, NO  
ARBITRARY PERCENTAGE HAS BEEN FIXED FOR IMPORTS AND IT  
LIKELY THAT BUSINESSMAN WHO CAN MAKE A GOOD CASE FOR IMPORTS  
WILL RECEIVE A REASONABLE PERCENTAGE OF THEIR OVERALL  
REQUEST.

3. THE CUMBERSOME AND HIGHLY CRITICIZED COMPUTER PRINTOUT  
SYSTEM BASED ON EACH IMPORT CATEGORY HAS PRESUMABLY BEEN  
DROPPED, AND THE SOLICITATION OF 1975 REQUESTS IS A CLEAR SIGN  
THAT MINISTRY OF FINANCE NOW REALIZES THE NECESSITY TO KEEP  
PRODUCTS FLOWING IN THE SUPPLY PIPELINE WITHOUT INTERRUPTION.  
BETPS NOTICE JULY 26 WAS ALSO DISCLOSED AT MEETING PREVIOUS  
DAY THAT NEW FINANCE MINISTER VARGAS GAVILANO HELD WITH BROAD  
CROSS SECTION PRIVATE SECTOR (INCLUDING, AMONG OTHERS,  
REPRESENTATIVES FROM THE INDUSTRIALISTS' ASSOCIATION, THE LIMA  
CHAMBER OF COMMERCE, THE NATIONAL FEDERATION OF BUSINESSMEN,  
THE NATIONAL MINING ASSOCIATION, AND DRUG AND TIRE COMPANY  
OFFICIALS). DURING THE MEETING, MINISTER EMPHASIZED NEED FOR  
CONTINUING DIALOGUE WITH PRIVATE SECTOR AND THAT NECESSARY  
CHANGES WOULD BE MADE TO KEEP ECONOMY FUNCTIONING. IN RETRO-  
SPECT, IT APPEARS CLEAR THAT VARGAS GAVILANO (AND PERHAPS GOP  
ITSELF) IS CONVINCED OF NEED TO DISCUSS SUCH MATTERS WITH  
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PRIVATE SECTOR AND MAY TAKE THEIR VIEWS INTO ACCOUNT, AN  
ATTITUDE NOT SHARED BY HIS PREDECESSOR.  
DEAN

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NNN

## Message Attributes

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